

Gilbert & Mosley TIF

Overview. Kansas State law (KSA 12-1771a) allows the City to fund the cleanup of an environmentally contaminated area through the use of a special type of Tax Increment Financing (TIF). Tax increment financing involves the restoration of property values in a contaminated area to higher, pre-contamination levels, and capturing up to 20% of the "increment" of property tax produced by the valuation increase to pay cleanup costs.

Tax Increment Financing District #1 was established in August 1991 to fund the clean-up of groundwater contamination in the Gilbert & Mosley area. At that time, the City entered into an agreement with the Kansas Department of Health and Environment (KDHE) whereby the City agreed to undertake the clean up and avoid the substantial cost and stigma associated with designation of the district as a Superfund site.

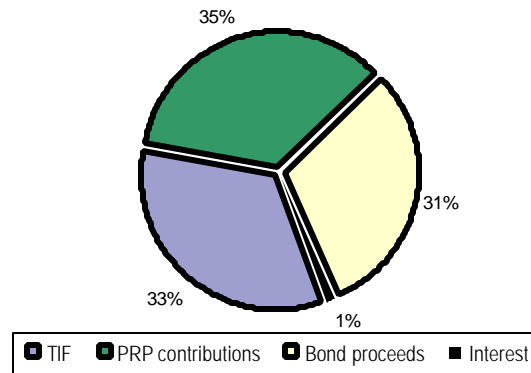
Finance and Operations. Gilbert & Mosley project expenditures for 2000, 2001 and 2002 include capital, operational, debt service, and administrative costs. The project's remedial design has received final KDHE approval, and construction of the contamination abatement system is scheduled to begin in late 2000 and continue through 2002.

The remedial design as approved by KDHE involves extraction and treatment of the contaminated groundwater. Additional public amenities, such as a public education facility and an aquarium stocked with native fish, are currently under consideration.

The City has initiated cost recovery action against several local businesses and individuals identified as responsible for the

contamination in the Gilbert & Mosley area. The City's legal staff and outside legal advisors aggressively pursue the goal of holding potentially responsible parties (PRPs) financially liable for all costs of the clean-up of contamination caused by PRPs in the district.

**Gilbert & Mosley TIF Fund
Revenue Summary 1999-2002**



Remediation activities are not projected to be complete within the 20-year time period during which TIF funding can be legally made available. City staff are currently exploring options for addressing the statutory 20-year limitation, which could include petitioning the Kansas State Legislature for a waiver or extension of the deadline, or re-establishing the district upon its expiration.

Gilbert & Mosley TIF Fund Budget Summary					
	1999 Actual	2000 Adopted	2000 Revised	2001 Adopted	2002 Approved
Gilbert & Mosley Fund Revenue	6,019,924	6,830,610	4,558,170	6,126,040	4,620,460
Personal Services	26,122	41,660	40,800	42,730	45,870
Contractual Services	1,743,991	2,154,650	3,175,270	1,723,940	1,204,490
Commodities	4,238	4,050	3,250	3,250	3,250
Capital Outlay	1,938	4,004,000	3,500,000	3,504,000	2,000,000
Other	33,347	555,520	623,280	838,160	831,200
Total Fund Expenditures	1,809,636	6,759,880	7,342,600	6,112,080	4,084,810
Revenue Over (Under) Expenditures	4,210,288	70,730	(2,784,430)	13,960	535,650
Allocation - Future Debt Service	0	0	0	0	(500,000)
Gilbert & Mosley Fund Balance	2,796,807	84,879	12,377	26,337	61,987
Position Summary					
Total FTE	1	1	1	1	1